JUDGE KAPLAN 06 CV 7119

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

RECEIVED
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CASHIERS

LEONID ROZHETSKIN, Plaintiff, - against - LEONID REIMAN, Defendant.	06 CV ________ JURY TRIAL DEMANDED

COMPLAINT

Plaintiff, Leonid Rozhetskin ("Rozhetskin"), as and for his Complaint, alleges upon knowledge as to himself and his own actions and upon information and belief as to all other matters, as follows:

Nature of the Action

1. Leonid Rozhetskin, a United States citizen, brings this action seeking recompense for a malicious smear campaign and other wrongful acts perpetrated against him by Defendant Leonid Reiman ("Reiman"). Reiman's actions began with extortion and threats, advanced to attempted theft, proceeded to manipulation of the Russian justice system to engineer baseless and recurring criminal investigations against Rozhetskin, and most recently involve defamatory statements aimed at silencing and punishing Rozhetskin. These misdeeds have harmed Rozhetskin personally and financially and continue to this day.

2. Rozhetskin, a Harvard Law School graduate and prominent businessman, was the Chief Executive Officer and a founding shareholder of LV Finance Group Limited ("LV

Finance") from 1998 until 2003. At all relevant times, LV Finance was a venture capital and investment advisory business operated by Rozhetskin and fellow shareholders.

3. Beginning five years ago, in an effort to enrich himself, Reiman launched a scheme to seize control of an LV Finance investment. Reiman's plan included direct threats to Rozhetskin's life and liberty. Relying on these unlawful methods, Reiman forced LV Finance to enter into transactions which, if valid, would have transferred to Reiman's control a lucrative interest in part of a company that became MegaFon, which is now Russia's third largest cellular phone service provider. In order to conceal his interest in these coerced transactions, Reiman directed LV Finance to execute agreements with Reiman's front company, IPOC International Growth Fund ("IPOC"), to effectuate the scheme. Confronted with Reiman's extortion, LV Finance had no alternative but to comply with Reiman's demands and to enter into two agreements that purported to grant ownership rights in the MegaFon interest to IPOC.

4. In recent years, in the course of Reiman-procured litigation over the LV Finance agreements, IPOC has been exposed as a money laundering enterprise owned and controlled by Reiman. Rozhetskin contributed to the unveiling of Reiman's misdeeds by sworn testimony, exposing Reiman's threats, Reiman's unlawful conduct, and Reiman's links to IPOC. Rozhetskin made clear that he intends to continue to tell the truth about Reiman's misconduct in ongoing proceedings. Rozhetskin's truthful testimony has been a significant factor in Reiman's failed attempts to assert ownership interests in MegaFon. Indeed, on May 16, 2006, following Rozhetskin's sworn testimony as an independent witness and substantial other evidence, a Zurich Tribunal issued an extraordinary 350-page Award ruling against IPOC and its claims to the MegaFon interest. Among other rulings fatal to IPOC's claims, the Zurich Tribunal held that

(a) ~~notwithstanding IPOC's and Reiman's public denials, Reiman in fact~~ owned and controlled IPOC,

(b) Reiman was guilty of abuse of his public office for self-enrichment;

(c) Reiman used IPOC as a money laundering operation, and

(d) the option agreements were unenforceable because of illegality.

Rozhetskin's testimony before the Zurich Tribunal directly linked Reiman to IPOC and the illegally coerced LV Finance agreements and exposed Reiman to be the beneficial owner of IPOC.

5. In an effort to punish and silence Rozhetskin, Reiman has launched an unlawful campaign of intimidation against Rozhetskin. One such attack came days after the Zurich decision, when Reiman directed IPOC to issue a scathing press release falsely accusing Rozhetskin of criminal acts. Then, three weeks after the Zurich Tribunal decision, Reiman escalated his attack by causing IPOC to file a false and baseless action in federal court in New York accusing Rozhetskin of racketeering and other improper conduct.

6. Reiman's groundless federal court lawsuit was simply a cover for further smearing Rozhetskin with false, malicious and defamatory allegations. On June 9, 2006, at Reiman's direction, IPOC issued another press release falsely accusing Rozhetskin of fraud, collusion, money laundering, theft and tax evasion. Reiman/IPOC published these false and defamatory statements knowingly, and with the unlawful purpose and effect of harming Rozhetskin's reputation and business and sending a warning to Rozhetskin and others who would give truthful evidence against him and his colleagues.

7. As determined by the Zurich Tribunal in May 2006, at all relevant times, Reiman secretly owned and controlled IPOC and used IPOC as a money-laundering front company. Through IPOC, Reiman has pursued a campaign of meritless litigation and other misdeeds in an ongoing attempt to illegally acquire the MegaFon stake. Trounced and laid bare in litigation, Reiman has procured the dissemination of false and defamatory statements to punish Rozhetskin.

8. Rozhetskin is a successful businessman in the mining, finance and telecommunications sectors. Rozhetskin brings this defamation and tortious interference action

against Reiman for knowingly making and publishing to third parties false statements impugning Rozhetskin's integrity and honesty, disparaging Rozhetskin in his trade, business and reputation, and interfering with Rozhetskin's business and contractual relations.

Jurisdiction and Venue

9. This court has subject matter jurisdiction pursuant to 28 U.S.C. § 1332 because the parties are of diverse citizenship and the amount in controversy exceeds $75,000.00, exclusive of interest and costs.

10. Venue is proper in this District under 28 U.S.C. § 1391 because events and transactions have taken place in this district, Reiman is subject to personal jurisdiction in this district, and Reiman is an alien.

Parties

11. Plaintiff Leonid Rozhetskin is a United States citizen domiciled in the United States. Born in St. Petersburg and raised in New York from age 13, Rozhetskin graduated from Columbia University with distinction in 1987. He graduated cum laude from Harvard Law School in 1990 and served as a law clerk for a United States District Court Judge before entering private law practice. Rozhetskin later entered the investment banking business, and, in 1998, he formed LV Finance.

12. Defendant Leonid Reiman is a Russian citizen residing in Moscow, Russia. As determined by the Zurich Tribunal in May 2006, at all relevant times, Reiman secretly owned and controlled IPOC. Although Reiman is the Russian Minister of Communications, he is named in this action in his personal, and not his official, capacity and the acts for which Rozhetskin seeks recovery derive from Reiman's personal business affairs and not any official acts.

Background

13. As of 2001, Rozhetskin was the Chief Executive Officer of LV Finance. LV Finance was a venture capital and investment advisory business that was founded by Rozhetskin and four of his colleagues, who all became shareholders in the company.

14. By 2001, LV Finance had developed a substantial interest in a venture that would become MegaFon, which is now the third largest cellular phone operator in Russia.

15. In early 2001, acting solely on his own behalf, Reiman directly approached Rozhetskin and demanded that Rozhetskin transfer to Reiman LV Finance's interest in the nascent MegaFon investment. Although Reiman left the details to his agents, the message was clear: Transfer ownership to Reiman or suffer the consequences of physical violence, incarceration, or both.

16. Rozhetskin and his partners had no alternative but to comply with Reiman's extortion. LV Finance, therefore, followed orders from Jeffrey Galmond ("Galmond"), Reiman's front man.

17. In an attempt to conceal his involvement and avoid publicity, Reiman enlisted his front company, IPOC, to carry out his scheme. At Reiman's direction, Galmond ordered LV Finance to execute two option agreements in 2001 with IPOC. If valid and enforceable, and if exercised, these options would have given Reiman (through IPOC) control of a company called TMI, which, through a subsidiary, owned the interest in what is now MegaFon (the "MegaFon Stake").

18. Reiman's actions violated Russian criminal law and were tortious in numerous respects. Indeed, as the Zurich Tribunal found, Reiman's activities were part of his systemic effort to illegally enrich himself. Not surprisingly, Reiman sought – and continues to seek – to hide his ownership interest in IPOC.

19. LV Finance acted under duress and coercion from Reiman, entering into the option agreements only because of Reiman's unlawful demands and threats.

20. In 2003, with Reiman purportedly in a position to control the MegaFon Stake through the option agreements, and faced with the reality of continued and escalating Reiman threats to lay claim to all of LV Finance, Rozhetskin and the other shareholders sold their LV Finance ownership interests. The selling shareholders of LV Finance fully disclosed the option agreements to the purchaser, Palmer Trading, in a purchase agreement completed by July 18, 2003.

21. Even if the option agreements had been validly executed, nothing in those agreements would have precluded Rozhetskin from selling his interest in LV Finance to any third party at any time.

22. Following the sale of his interest LV Finance, Rozhetskin no longer held any interest whatsoever in the MegaFon Stake and owed no obligations, valid or otherwise, under the option agreements. In due course, the MegaFon Stake was acquired by companies controlled by the Alfa Group, a Russian business conglomerate associated with Russian billionaire, Mikhail Fridman. Rozhetskin played no part in the Alfa acquisition.

23. After the Alfa Group publicly announced its acquisition of the MegaFon Stake, Reiman plotted to wrest back control of the MegaFon Stake from Alfa, to carry out his earlier threats against Rozhetskin, and to punish Rozhetskin.

24. In June 2004, IPOC, as directed by Reiman, filed a false criminal complaint against Rozhetskin with the Moscow Procurator's Office. The Procurator's Office referred the complaint to the Department of Economic Crimes of the Division of Interior Affairs for Moscow ("DEC"). The DEC flatly rejected the complaint. After this rejection, and after two subsequent rejections of the complaint by the DEC, IPOC repeatedly re-filed the same baseless and false complaint, until Reiman, abusing his position as government Minister, unlawfully manipulated

the criminal justice system so that ultimately a criminal investigation of Rozhetskin was opened on December 28, 2004. As of the filing of this Complaint, Reiman continues to maliciously promote and influence the Russian criminal investigation.

25. At all relevant times, Rozhetskin had been employed under contracts with a worldwide business based in Russia. Immediately following the commencement of the IPOC-initiated Russian investigation, and as intended by Reiman, Rozhetskin's employment was abruptly terminated. Rozhetskin's employer told him that he had to sever his relationship with the company due to the criminal investigation.

26. Reiman continued his plot to pry control of the MegaFon Stake away from Alfa, as well as to carry out his earlier threats and punish Rozhetskin, and directed IPOC to initiate legal proceedings around the globe. In August-September 2003, Reiman directed IPOC to initiate legal proceedings against Alfa Group interests in multiple arenas, including the British Virgin Islands, the Bahamas and Stockholm.

27. At the same time, Reiman directed IPOC to commence international arbitrations under the option agreements against LV Finance. Separate arbitration proceedings were held in Geneva and Zurich between 2003 and 2006.

28. In those arbitrations, Reiman directed IPOC representatives to falsely and maliciously accuse Rozhetskin of wrongdoing and to misrepresent to the arbitral tribunals the nature of the option agreements entered into by Rozhetskin on behalf of LV Finance.

29. In the Zurich arbitration, upon invitation by the Arbitral Tribunal, Rozhetskin submitted a detailed witness statement and appeared for examination by the Tribunal and cross-examination by the parties. Rozhetskin directly refuted IPOC's assertions regarding the option agreements. Indeed, Rozhetskin testified, under oath, and in minute detail, regarding the threats made by Reiman, the scheme carried out by Galmond at Reiman's direction, and the

circumstances of Rozhetskin's sale of his LV Finance interest to Palmer Trading. IPOC and Galmond presented fraudulent testimony. Reiman was invited to testify but declined to appear.

30. Reiman, Galmond and IPOC's lies and machinations finally were exposed and confirmed in the Zurich proceedings. (The Geneva arbitration was essentially *ex parte* and irregular, and has subsequently been vacated by a Swiss appellate court.) At the close of the proceedings, which included evidence of a secretly recorded meeting at which Galmond in essence admitted that Reiman owned and controlled IPOC, the Zurich Tribunal issued an Award denying all of IPOC's claims for relief. In that Award, the Tribunal conclusively held that (a) Reiman's illegal conduct rendered the option agreements invalid and unenforceable, (b) Reiman – despite his and IPOC's repeated denials – is the beneficial owner of IPOC; (c) Reiman and Galmond had engaged in money laundering, and (d) Galmond and IPOC had been misleading Tribunals around the world. Among other devastating findings adverse to Reiman, the Zurich Tribunal held that:

- Throughout the relevant time periods, including the period encompassing the drafting and execution of the option agreements, Reiman was IPOC's sole beneficial owner;
- The "repeated testimony and allegation" of Galmond that Galmond was the beneficial owner of IPOC was false;
- Reiman was prohibited by Russian law from involvement in IPOC's business and thus took steps to conceal his involvement and to impede efforts by witnesses to expose and confirm his illegal actions;
- The option agreement is unenforceable because its performance and purpose are illegal;
- IPOC served as a money-laundering vehicle for Reiman.

31. Rozhetskin's testimony was an important factor in the Tribunal's rulings against IPOC and Reiman.

32. The Zurich Tribunal issued its Award in favor of LV Finance and against IPOC and Reiman on May 16, 2006. The decision was widely publicized.

33. On June 8, 2006, three weeks later, at Reiman's direction, IPOC filed a civil action against Rozhetskin and others in the United States District Court for the Southern District of New York; *IPOC v. Rozhetskin, et al.*, No. 06 CV 4338 (Marerro, J.). This lawsuit falsely accuses Rozhetskin of Racketeering Influenced Corrupt Organizations Act ("RICO") violations arising out of the option agreements. In particular, in the complaint (the "New York RICO Complaint"), IPOC falsely accuses Rozhetskin of colluding with Alfa to defraud IPOC out of its shareholding interest in the MegaFon Stake.

34. As of September 2006, on information and belief, IPOC had not attempted to serve the New York RICO Complaint on Rozhetskin. Instead, that Complaint has been a vehicle for Reiman (through IPOC) to continue to punish Rozhetskin and is part of Reiman's scheme to defame and tortiously interfere with Rozhetskin through intimidation and coercion as described herein.

35. Separate and apart from the defamatory statements alleged herein, the New York RICO Complaint filed by IPOC is itself malicious, fraudulent and filed in bad faith. Indeed, the New York RICO Complaint was brought against Rozhetskin only after the Zurich Tribunal rejected IPOC's accusations against Rozhetskin, and only after Reiman suffered a string of defeats in proceedings against Alfa Group entities over the same purported agreements.

36. What remains clear, however, is that Reiman refuses to go quietly. Instead, through his fronts, Reiman lashes out with false and defamatory accusations against anyone who contradicts or impedes his efforts to claim the MegaFon Stake. And he has targeted Rozhetskin for a special dose of such treatment.

The Defamatory Statements

37. Reiman has waged a campaign to ruin Rozhetskin's reputation and business. Reiman enlisted Galmond and IPOC to carry out this scheme, directing IPOC (through Galmond) to publish various statements to the public, falsely charging Rozhetskin with – among other things – fraud, collusion, money laundering, theft, and tax evasion. These statements were false and defamatory, designed to hold Rozhetskin up to public scorn and to destroy Rozhetskin's reputation as an honest businessman. The defamatory statements include the following.

38. On May 22, 2006, at Reiman's direction, IPOC issued a press release in response to the Zurich Tribunal's decision described above. This press release was posted on IPOC's website, purposefully making the statements available over the Internet to individuals in New York and throughout the mining, finance, and telecommunications industries. The May press release was further published, in whole or in part, in numerous media outlets, including the Dow Jones Newswires and Reuters News.

39. The May press release is annexed to this Complaint as Exhibit A, and is expressly incorporated herein.

40. The May press release, among other defamatory accusations, accuses Rozhetskin of an assortment of crimes, including fraud. These statements impugned Rozhetskin's integrity and harmed him in his trade and business.

41. For example, the May press release was subtitled "Smear tactics should not overshadow Alfa & LV Finance's fraud," and, among other defamatory accusations, accuses Rozhetskin as follows:

> IPOC initiated the arbitration proceedings in 2003 when it discovered that Leonid Rozhetskin, LV Finance's CEO, and Mikhail Fridman, Alfa Group head, had colluded in an attempt to defraud IPOC of the MegaFon stake. Together, they carved out a scheme to transfer the stake to Alfa Group, through a complex web

> of offshore companies, with the aim of frustrating IPOC's attempts to exercise its prior ownership rights.

42. These statements are false and defamatory. Rozhetskin never colluded with Mikhail Fridman or Alfa Group, and Rozhetskin never attempted to defraud IPOC of the MegaFon Stake. These statements also falsely portray Rozhetskin as a person who lacks integrity and honesty.

43. This false and defamatory May press release posted at Defendant's direction remained on IPOC's website as of September 14, 2006 (www.ipocfund.com). In directing the issuance of this May press release, Reiman did so maliciously, knowing such allegations are false and baseless. The statements in the May press release impugned Rozhetskin's integrity and harmed him in his trade and business.

44. On June 9, 2006, at Reiman's direction, IPOC published another press release, this time to trumpet the frivolous New York RICO Complaint. This press release was also posted onto IPOC's website, with a byline reading "NEW YORK." Defendant thus purposefully made the statements available over the Internet to individuals in New York and throughout the mining, finance and telecommunications industries.

45. The June press release is annexed to this Complaint as Exhibit B, and is expressly incorporated herein.

46. The June press release, among other defamatory accusations, accuses Rozhetskin of an assortment of crimes, including fraud, money laundering, and tax evasion, and implies more wrongful conduct than even alleged in the Complaint.

47. For instance, under the heading, "Defendant's Tentacles Reach Into and Injure Numerous Americans," the June press release states that Rozhetskin "engaged in a vast international money laundering and fraud scheme in an attempt to take control of the Russian cellular industry."

48. By way of further example, the June press release states that "[w]hat was a legitimate business opportunity for IPOC evolved into a vehicle for Rozhetskin's and Mikhail Fridman's theft and misappropriation." The press release states, under the heading "Scheme Concealed Wrongdoing," that Rozhetskin "worked closely with Fridman to assist with the sham transactions." The press release pointedly defames Rozhetskin's business reputation in New York by stating that Rozhetskin "relied on New York banks to launder the theft of $50 million, the money IPOC paid for the stake."

49. These statements are false and defamatory. Rozhetskin never engaged in a money laundering or fraud scheme, never stole or misappropriated IPOC's assets, and never laundered money through New York banks or anywhere else. These statements falsely portray Rozhetskin as a person who lacks integrity and honesty.

50. This false and defamatory June press release remained on IPOC's website as of September 14, 2006. In directing the issuance of this press release, Reiman did so maliciously, knowing such allegations are false and baseless. The statements in the June press release impugned Rozhetskin's integrity and harmed him in his trade and business.

FIRST CAUSE OF ACTION
(Defamation)

51. Rozhetskin repeats and realleges paragraphs 1 through 50 as if set forth in their entirety.

52. On or about May 22, 2006, Reiman directed false statements of purported fact concerning Rozhetskin to be published to the public.

53. These statements portray Rozhetskin falsely, including allegations that Rozhetskin colluded with others to defraud IPOC. These statements impugned Rozhetskin's integrity and disparaged him in his trade and business.

54. Rozhetskin has been injured by these false statements in that, among other things, his business reputation has been harmed and he has lost business and business opportunities.

55. Reiman caused these statements to be made knowing and intending that they would be published over the Internet and made available to millions of readers, particularly to readers in New York and in the mining, finance, and telecommunications industries.

56. Reiman directed and made these statements wrongfully and maliciously, knowing them to be false or in reckless disregard of the truth.

57. Reiman directed and made these statements intending to harm Rozhetskin and to diminish his reputation.

58. Reiman directed and made these statements willfully, wantonly, intentionally, and with actual malice.

59. As a result, Rozhetskin suffered injury, damage, loss or harm.

60. Rozhetskin is entitled to damages in an amount to be proven at trial.

SECOND CAUSE OF ACTION
(Defamation)

61. Rozhetskin repeats and realleges paragraphs 1 through 60 as if set forth in their entirety.

62. On or about, June 9, 2006, Reiman directed false statements of purported fact concerning Rozhetskin to be published publicly.

63. These false statements accuse Rozhetskin of serious crimes, including allegations of insider trading, money laundering, tax evasion and theft. These statements impugned Rozhetskin's integrity and disparaged him in his trade and business.

64. Rozhetskin has been injured by these false statements in that, among other things, his business reputation has been harmed and he has lost business and business opportunities.

65. Reiman caused these statements to be made knowing and intending that they would be published over the Internet and made available to millions of readers, particularly to readers in New York and throughout the mining, finance, and telecommunications industries.

66. Reiman directed and made these statements wrongfully and maliciously, knowing them to be false or in reckless disregard of the truth.

67. Reiman directed and made these statements intending to harm Rozhetskin and to diminish his reputation.

68. Reiman directed and made these statements willfully, wantonly, intentionally, and with actual malice.

69. As a result, Rozhetskin suffered injury, damage, loss or harm.

70. Rozhetskin is entitled to damages in an amount to be proven at trial.

THIRD CAUSE OF ACTION
(Tortious Interference With Contract)

71. Rozhetskin repeats and realleges paragraphs 1 through 70 as if set forth in their entirety.

72. Beginning in October 2001, Rozhetskin had an employment contract and agreement with a prominent industry company known throughout the world. Rozhetskin derived substantial income from that employment agreement.

73. At all relevant times, Reiman knew that Rozhetskin had an employment contract with his employer.

74. Reiman acted intentionally, knowingly, and without justification to interfere with Rozhetskin's employment relationship with this company, with the sole purpose of harming

Rozhetskin, using dishonest, unfair, and improper means. Reiman's conduct was further part of his attempt to punish Rozhetskin and to intimidate and coerce Rozhetskin to accede to Reiman's demands and interests.

75. Reiman's wrongful activities caused the termination of Rozhetskin's employment with his employer, as Reiman intended.

76. As a result of Reiman's tortious conduct, Rozhetskin suffered damages in an amount to be proven at trial.

FOURTH CAUSE OF ACTION
(Tortious Interference With Prospective Business Relations)

77. Rozhetskin repeats and realleges paragraphs 1 through 76 as if set forth in their entirety.

78. Since 2004, Rozhetskin has been has been prepared to enter into business relationships with various companies and individuals.

79. At all relevant times, on information and belief, Reiman knew that Rozhetskin was about to enter into prospective business relationships with third parties.

80. Reiman acted intentionally, knowing, and without justification to interfere with these prospective business relationships. Reiman's conduct was further part of his attempt to punish Rozhetskin and to intimidate and coerce Rozhetskin to accede to Reiman's demands and interests.

81. Reiman's wrongful activities caused these third parties not to enter into the business relationships with Rozhetskin.

82. As a result of Reiman's tortious conduct, Rozhetskin suffered damages in an amount to be proven at trial.

FIFTH CAUSE OF ACTION
(Abuse of Process)

83. Rozhetskin repeats and realleges paragraphs 1 through 82 as if set forth in their entirety.

84. On June 8, 2006, Reiman directed IPOC to file an action in New York that falsely accuses Rozhetskin of "RICO" violations.

85. Reiman caused this New York RICO Complaint to be filed, intending to do harm to Rozhetskin without excuse or justification.

86. Reiman filed this false and baseless New York RICO Complaint for the unlawful collateral objective of intimidating and coercing Rozhetskin to stop testifying about Reiman's corruption. Reiman also filed this complaint for the unlawful collateral objectives of punishing Rozhetskin, disseminating false and defamatory statements about Rozhetskin in press releases, and illegally acquiring the MegaFon Stake.

87. As a result of Reiman's tortious conduct, Rozhetskin suffered damages in an amount to be proven at trial.

SIXTH CAUSE OF ACTION
(Intentional Infliction of Emotional Distress)

88. Rozhetskin repeats and realleges paragraphs 1 through 87 as if set forth in their entirety.

89. Reiman has willfully, maliciously and knowingly engaged in a pattern of extreme and outrageous conduct. This conduct includes subjecting Rozhetskin to repeated criminal investigations based on fabricated evidence and allegations, filing a frivolous and malicious RICO complaint, and making and publishing a series of defamatory statements.

90. Reiman engaged in this extreme and outrageous conduct with the intent of causing Rozhetskin severe emotional distress.

91. As a result of Reiman's tortious conduct, Rozhetskin suffered severe emotional distress.

92. Rozhetskin is entitled to damages in an amount to be proven at trial.

PUNITIVE DAMAGES

Rozhetskin is entitled to an award of punitive damages against Reiman in an amount sufficient to punish Reiman and to discourage Reiman and others from engaging in similar conduct in the future.

WHEREFORE, Rozhetskin respectfully requests that this Court enter judgment:

a. For damages in such amount as may be found or such other amount as may be proper.

b. Enjoining Reiman from making or directing further defamatory statements against Rozhetskin and from engaging in further malicious and tortious acts intended to inflict emotional distress upon and to otherwise harm Rozhetskin.

c. For punitive damages.

d. For prejudgment interest according to law.

e. For Rozhetskin's attorneys' fees, costs, and disbursements in this action.

f. For such other and further relief as the Court may deem just and proper.

PRAYER FOR JURY TRIAL

Rozhetskin prays for a jury trial in the above-captioned matter.

Dated: New York, New York
September 15, 2006

FRIED, FRANK, HARRIS, SHRIVER & JACOBSON LLP

By: [signature]

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Exhibit A

IPOC INTERNATIONAL GROWTH FUND

IPOC to contest ruling in Zurich and to pursue Alfa

22/05/06

Smear tactics should not over-shadow Alfa & LV Finance's fraud

IPOC has pledged to continue its assertion of its legal rights against Alfa and LV Finance, including a possible appeal to the Swiss Supreme Court following a ruling from a Zurich Arbitration Tribunal that has failed to validate an option agreement IPOC signed with LV Finance over the majority of the disputed 25.1% stake in MegaFon.

IPOC initiated the arbitration proceedings in 2003 when it discovered that Leonid Rozhetskin, LV Finance's CEO, and Mikhail Fridman, Alfa Group head, had colluded in an attempt to defraud IPOC of the MegaFon stake. Together, they carved out a scheme to transfer the stake to Alfa Group, through a complex web of offshore companies, with the aim of frustrating IPOC's attempts to exercise its prior ownership rights.

Today's ruling over the first option agreement worth 19.42%, runs counter to an earlier ruling in August 2004 by the renowned International Chamber of Commerce's (ICC) Arbitration Tribunal, later upheld by the Swiss Supreme Court. This related to the second option agreement, signed in December 2001 for 5.575% stake. The Geneva-based ICC ruled that Alfa Group were not "bona fide purchasers" of the MegaFon stake. It said that Alfa Group colluded with LV Finance to construct a scheme to transfer the MegaFon shares in full knowledge that this would breach IPOC's right to the stake under its options agreement. LV Finance has recently filed an extraordinary appeal in Switzerland in the hope of overturning that Award; its first appeal having been rejected with costs in December 2004.

Commenting on the decision, an IPOC spokesperson said:
"We are surprised by today's ruling but determined to pursue our rights over the MegaFon stake and appeal the ruling if necessary. We are also reviewing the damage and other issues left open for IPOC to pursue under the just issued Award. This is just the latest stage in what is an ongoing legal process.

"We are disappointed that Alfa's concerted campaign to smear and hound those involved, not to mention derail legal proceedings with attempted bribery and corruption, seems to have impacted on the evidence underlying the ruling. Our opponents have concocted a set of allegations because they do not have a coherent defence for their involvement in this fraudulent scheme.

"The ICC ruled unequivocally that the Alfa Group was not "bona fide purchasers" of the MegaFon stake and they had knowingly and fraudulently colluded with LV Finance to breach IPOC's rights.

"We have said from the outset that the integrity of contracts for investment in Russia is at stake. The principal we have constantly sought to uphold is a simple one – no matter where you are in the world, you cannot sell the same stake twice.

"It is only right that we pursue this principle with all our energy and resources, otherwise the message it sends out is that certain companies can ride roughshod over agreements without recourse."

ENDS

For further information please contact Kirsten Smart or Enda Joyce at Media Strategy in London on +44 (0) 20 7400 4480 or +44 (0) 7855 489 616 (mobile).

Notes to Editors

1. IPOC International Growth Fund Ltd. is a longstanding investor in MegaFon and currently already holds an 8% stake in the company in addition to the disputed 25.1% stake.

2. LV Finance signed two option agreements in April and December 2001 with IPOC to sell to IPOC 100% of Transcontinental Mobile Investment Limited (TMI). This is the sole owner of CT Mobile (CTM), which holds 25.1% of MegaFon, the third largest Russian mobile operator.

3. Pursuant to an ICC arbitration award in Geneva, which has been confirmed by the Swiss Supreme Court, IPOC has validly exercised and paid for an option entitling it to the transfer of an additional 5.575% of the share capital of MegaFon.

4. For more information on IPOC, go to www.ipocfund.com

Prospective investors should contact us at our registered address:
IPOC International Growth Fund Ltd, Chancery Hall, 52 Reid Street, Hamilton HM 12, Bermuda

For all media inquiries please contact:
Media Strategy on +44 (0) 20 7400 4480

Exhibit B

IPOC INTERNATIONAL GROWTH FUND

Russian Oligarch Fridman, corporation sued for racketeering, fraud that used U.S. banks and exchanges

9/06/06

"Defendants' Tentacles Reach Into and Injure Numerous Americans"

NEW YORK – Russian corporation Alfa Group Consortium and its U.S. entity, Alfa Capital Markets, Inc., are a criminal enterprise that has used U.S. banks and stock exchanges as an integral part of their theft schemes, costing American taxpayers and stockholders hundreds of millions of dollars, IPOC International Growth Fund, Ltd., alleges in a federal racketeering lawsuit filed late Thursday.

The suit alleges that Alfa, one of the largest business conglomerates in the Russian Federation – along with Russian oligarch Mikhail Fridman and U.S. citizen Leonid Rozhetskin – engaged in a vast international money laundering and fraud scheme in an attempt to take control of the Russian cellular industry. "By doing so, defendants' conduct has had a substantial effect on the United States and its citizens, and much of the criminal conduct occurred in the United States," the suit, filed in U.S. District Court for the Southern District of New York, said.

The criminal enterprise affected Americans, U.S.-based investors and U.S. interests in numerous ways, the complaint alleges, involving the evasion of U.S. taxes, insider trading of shares on U.S. stock markets, and wiring payments through New York banks. The Alfa Group Consortium received support from the Overseas Private Investment Corporation, a U.S. government development agency, to provide a significant portion of funding for one of Alfa's related businesses.

"The complaint alleges that the racketeering and other wrongs cited in this case hurt U.S. investors, U.S. taxpayers and U.S. financial markets," said W. Gordon Dobie, an attorney with Winston & Strawn LLP, which filed the case for IPOC International Growth Fund, Ltd. "It's my opinion that the defendants should be called to account in court for their conduct."

A Daisy Chain of Nine Shell Companies

The suit details how Alfa, in a series of sham transactions over a 10-day period, knowingly and fraudulently colluded to steal IPOC's 25.1 percent stake in Russia's third largest mobile telecom company, MegaFon. IPOC had originally signed two options agreements to buy the stake from LV Finance, had paid for the shares and at all junctures honored the terms of the agreements. At the final stage, IPOC discovered that LV Finance, acting through its chairman Leonid Rozhetskin, had negotiated a purported sale of LV Finance's interest in MegaFon to Mikhail Fridman's Alfa Group, involving a complex web of nine offshore companies. Both companies are alleged to have been aware of IPOC's prior ownership rights, but rode roughshod over the agreement and fraudulently colluded to sell the same stake twice. They "bought" and "sold" the $50 million stake, and yet there is no evidence of money having changed hands throughout this daisy chain of sham transactions.

"What was a legitimate business opportunity for IPOC evolved into a vehicle for Rozhetskin's and Mikhail Fridman's theft and misappropriation," the suit alleges.

Scheme Concealed Wrongdoing

The suit alleges that at the center of the enterprise was Fridman, a major VimpelCom shareholder, who used associates working directly for him and for VimpelCom, to transfer the assets in the summer of 2003. The scheme involved wiring payments through New York banks, taking the proceeds, and then transferring those proceeds to various off-shore companies "to conceal wrongdoing from IPOC, American taxing authorities, and others."

The suit states that Rozhetskin acted "as a point person to obtain additional cellular phone assets" and worked closely with Fridman to assist with the sham transactions. He later relied on New York banks to launder the theft of $50 million, the money IPOC paid for the stake.

The complaint also alleges that Rozhetskin and Fridman were assisted by Hans Bodmer, who served as escrow agent and sent instructions to IPOC to wire money through banks in New York for the benefit of the defendants. Bodmer recently plead guilty to criminal conspiracy to launder money and conspiracy to violate the U.S. Foreign Corrupt Practices Act in connection with an unrelated scheme to bribe foreign leaders.

Insider Dealing and Manipulation of VimpelCom Tax Inquiry

The suit also alleges that Fridman and the Alfa Group attempted to manipulate VimpelCom's share price for their own gain, in their position as major VimpelCom shareholders. On Dec. 8, 2004, the suit said, VimpelCom, a New York Stock Exchange Company, disclosed the Russian tax authorities were investigating the company for back taxes carrying potential for heavy fines and penalties.

The news coincided with the auction of a $10 billion subsidiary of Russian conglomerate Yukos to satisfy back-dated tax obligations. Yukos later went through an unprecedented bankruptcy filing in the United States.

The suit claims that manipulation was insider dealing that advanced the defendants' goal of obtaining control and consolidation of the telecommunications market in Russia, furthering the ability to raise prices for cellular services through a near-monopoly or oligopoly.

ENDS

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Notes to Editors

IPOC International Growth Fund, Ltd. is an open-ended mutual fund company based in Bermuda.

The suit, based on claims under the Racketeer Influenced and Corrupt Organizations (RICO) Act, charges that Fridman conspired with Rozhetskin to steal IPOC's interest through money laundering, bribery, wire fraud and other criminal wrongdoings. Other defendants are Alfa Capital Markets, Inc., a U.S. corporation; Alfa Telecom (n/k/a) Altimo; and Hans Bodmer.

Alfa Group Consortium is an association of various companies controlled by Fridman. It controls major international corporations traded in the United States, including VimpelCom (NYSE) Russia's second largest mobile telecoms company, Golden Telecom (NASDAQ) and Turkcell (NYSE).

For more information about IPOC, go to www.ipocfund.com A copy of the lawsuit is being posted on this Web site June 9.

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